

Capital Area Alliance for the Homeless, Inc.
Baton Rouge, Louisiana

Annual Financial Statements

December 31, 2010

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **OCT 12 2011**

WILLIAM E. DeLOACH
Certified Public Accountant

William E. DeLoach
Certified Public Accountant

5516 Superior Drive Suite B
Baton Rouge, Louisiana 70816-8022

Office 225-293-0372
Fax 225-293-0473
bill@deloachcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Capital Area Alliance for the Homeless, Inc.
Baton Rouge, Louisiana


I have audited the accompanying statement of financial position of the Capital Area Alliance for the Homeless, Inc. (a nonprofit organization) as of December 31, 2010, and the related statements of activities, cash flows, and supplemental schedule I for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Capital Area Alliance for the Homeless, Inc., and the changes in its net asset and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, I have also issued my report dated September 28, 2011, on my consideration of Capital Area Alliance for the Homeless, Inc.'s internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Capital Area Alliance for the Homeless, Inc. taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.


Certified Public Accountant

September 28, 2011

Capital Area Alliance for the Homeless, Inc.

(A Nonprofit Organization)

Statement of Financial Position

December 31, 2010

ASSETS

Current Assets

Cash in Banks	\$ 4,145
Payroll Tax Deposits	2,745
Accounts Receivable	<u>83,457</u>

Total Current Assets 90,347

Total Assets \$ 90,347

LIABILITIES & NET ASSETS

Current Liabilities

Cash Overdraft	\$ 10,695
Employee Fringe Benefits Payable	1,313
On Demand Notes Payable	<u>55,592</u>
Total Current Liabilities	67,600

Net Assets

Net Assets-Unrestricted	(52,793)
Net Assets-Temporarily Restricted	<u>75,540</u>
Total Net Assets	<u>22,747</u>

Total Liabilities & Net Assets \$ 90,347

See notes to financial statements.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Statement of Activities
For the year ended December 31, 2010

<u>Revenues</u>	Unrestricted	Temporarily Restricted	Total
Administrative Fees	\$ 154,288	\$ 29,224	\$ 183,512
Housing Services	473,322		473,322
SHP-Scott Housing		349,251	349,251
CIF/NK Services	163,237		163,237
Homeless Conference	43,305		43,305
Grants	3,000	54,000	57,000
Memberships	5,680		5,680
Contributions	4,145		4,145
Asset Recovery	32,654		32,654
Interest Income	77		77
Net Assets Released From Restrictions	491,978	(491,978)	
Total Revenues	1,371,686	(59,503)	1,312,183
<u>Expenses</u>			
Program Expenses	927,103		927,103
Management & Administrative	406,186	0	406,186
Total Expenses	1,333,289	0	1,333,289
 Changes in Net Assets	 38,397	 (59,503)	 (21,106)
 Net Assets-January 1	 (91,190)	 135,043	 43,853
 Net Assets-December 31	 \$ (52,793)	 \$ 75,540	 \$ 22,747

See notes to financial statements.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Statement of Cash Flows
For the year ended December 31, 2010

Changes in net assets	\$	(21,106)
Adjustments to reconcile changes in net assets to net cash generated by operations:		
Accounts Receivable		113,590
Payroll Tax Deposits		(2,745)
Accrued Payables		(12,982)
Net Cash Provided by Operations		<u>76,757</u>
Cash Used by Financing Activities:		
Debt Reduction		(84,408)
Total cash at the beginning of the year		<u>1,101</u>
Total cash at the end of the year	\$	<u><u>(6,550)</u></u>

Interest expense paid in 2010 was \$2,572

See notes to financial statements.

Capital Area Alliance for the Homeless
Supplemental Schedule 1
Schedule of Revenues, Functional Expenses, and Changes in Net Assets by Program
For the year ended
December 31, 2010

	CAAH	HMS	BRAF	DSS	Wilson	CIF/NK	Homeless Conf	HPRP	Scott Housing	One Stop	Other	Total
REVENUES												
Administrative	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,545	\$ 26,679	\$ -	\$ 29,224
CIF	-	-	-	-	-	95,321	-	-	-	-	-	95,321
DSS admin fee	-	-	-	90,877	-	-	-	-	-	-	-	90,877
DSS rent	-	-	-	357,451	-	-	-	-	-	-	-	357,451
HPRP admin fee	-	-	-	-	-	-	-	23,274	-	-	-	23,274
HPRP rent	-	-	-	-	-	-	-	115,871	-	-	-	115,871
CDBG/SHP	19,700	-	-	-	-	-	-	-	-	-	-	19,700
SHP projects	-	-	-	-	-	-	-	-	349,251	-	-	349,251
HMS admin fee	20,437	-	-	-	-	-	-	-	-	-	-	20,437
Neighbors Keepers	-	-	-	-	-	67,916	-	-	-	-	-	67,916
Homeless conference	-	-	-	-	-	-	43,305	-	-	-	-	43,305
Wilson Foundation	-	-	-	-	54,000	-	-	-	-	-	-	54,000
Build A Bear grant	-	-	-	-	-	-	-	-	-	-	3,000	3,000
CAAH memberships	5,680	-	-	-	-	-	-	-	-	-	-	5,680
Contributions	4,145	-	-	-	-	-	-	-	-	-	-	4,145
Misappropriation of asset repayment	32,654	-	-	-	-	-	-	-	-	-	-	32,654
Other income	77	-	-	-	-	-	-	-	-	-	-	77
Total Revenues	82,693	-	-	448,328	54,000	163,237	43,305	139,145	351,796	26,679	3,000	1,312,183
EXPENSES												
CAUW/CIF	-	-	-	-	-	167	-	-	-	-	-	167
DSS Rapid Rehouse	-	-	-	356,840	-	-	-	-	-	-	-	356,840
Homeless conference	-	-	-	-	-	-	36,820	-	-	-	-	36,820
HPRP direct assistance	-	-	-	-	-	-	-	115,956	-	-	-	115,956
Bank charges	376	-	-	-	224	-	131	-	-	-	-	731
Computer	850	-	-	-	-	-	-	-	-	-	-	850
Dues and subscriptions	864	-	-	-	-	-	-	-	-	-	-	864
Employee benefits	-	-	-	-	-	23,991	-	-	-	-	-	23,991
Insurance	3,297	-	-	-	-	358	-	-	-	-	-	3,655
Interest expense	2,572	-	-	-	-	-	-	-	90	-	-	2,572
Legal and professional	1,737	-	-	-	-	-	-	-	-	-	-	1,737
Meetings	126	-	-	-	-	-	-	-	-	-	-	126
Misappropriation of assets	32,654	-	-	-	-	-	-	-	187	-	-	32,654
Miscellaneous	40	-	-	-	-	-	-	-	-	-	-	40
Office supplies	192	-	168	-	198	-	-	-	-	-	-	558
Payroll taxes	16,923	-	-	-	-	9,951	-	-	-	-	-	26,874
Photocopying	280	-	-	-	-	-	-	-	-	-	-	280
Postage	90	-	-	-	-	-	-	-	-	-	-	90
Rent	3,360	-	1,680	-	-	-	-	-	-	-	-	5,040
Salaries	96,596	3,987	6,542	90,982	6,684	147,279	-	14,527	-	-	-	366,597
SHP projects	-	-	-	-	-	-	-	-	348,521	-	-	348,521
Telephone	2,130	-	1,000	-	518	976	-	-	-	-	-	4,624
Training and conferences	1,794	-	300	-	-	-	-	-	-	-	-	2,094
Travel and mileage	818	-	-	-	513	-	-	-	-	-	-	1,331
Total Expenses	164,699	3,987	9,690	447,822	8,137	182,722	36,951	130,483	348,798	-	-	1,333,289
Change in Net Assets	\$ (82,006)	\$ (3,987)	\$ (9,690)	\$ 506	\$ 45,863	\$ (19,485)	\$ 6,354	\$ 8,662	\$ 2,998	\$ 26,679	\$ 3,000	\$ (21,106)

See notes to financial statements.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)
December 31, 2010

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

Organization and Purpose

The Capital Area Alliance for the Homeless is a non-profit corporation whose mission is to provide a continuum of care network for the homeless through a coordinated body of diverse organizations.

Basis of Accounting

The financial statements of the Alliance have been prepared on the accrual basis of accounting which is in accordance with generally accepted accounting principles.

Income

The Alliance generates most of its revenues by being reimbursed through government and private sources for providing housing services to the homeless in the Baton Rouge metropolitan area. Income received is recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by donors is reported as an increase in unrestricted net assets if the restriction expires in increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statements of Activities as net assets released from restrictions.

Income Taxes

The Alliance operates as a public charity under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is exempt from federal and state income taxes and is not a private foundation.

Contributor Imposed Restrictions

All contributions are considered to be available for unrestricted use unless specifically restricted by the contributor. Amounts received that are designated for future periods or restricted by the contributor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the contribution is received, the organization reports the support as unrestricted.

Cash & Cash Equivalents

Cash and cash equivalents include cash and investments that are readily convertible into cash and have original maturities of three months or less.

2. Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and net assets as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)
December 31, 2010

NOTES TO FINANCIAL STATEMENTS

3. **Donated Services**

No amounts have been reflected in the financial statements for donated and volunteer services. These services neither require specialized skills nor would they have been typically purchased had they not been donated. The value of these services is not readily determinable.

4. **Concentration Risk**

The Alliance is dependent upon funding from several non-profit organizations, governmental agencies, and various donors and contributors.

5. **Notes Payable**

Non-interest bearing on demand note payable from Community Initiatives Foundation for \$100,000.

Interest bearing demand note payable of \$25,592 to Dow Federal Credit Union accruing interest at annual percentage rate of 7.25%.

6. **Accounts Receivable and Uncollected Fees**

The Organization reviews receivables for uncollectible accounts. The accounts were determined to be collectible from various supporting governmental agencies.

7. **Subsequent Events**

FASB ASC Topic 855 for Subsequent Events introduces the concepts of financial statements being "available to be issued," and requires disclosure of the date through which an entity has evaluated subsequent events and whether that date represents the date the financial statements were issued or were available to be issued. FASB ASC Topic 855 does not result in significant changes to subsequent events that are reported either through recognition or disclosure in the financial statements. FASB ASC Topic 855 is effective for the Organization's December 31, 2010 financial statements, and the Organization has evaluated subsequent events through September 28, 2011, the date the financial statements were issued.

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Schedule of Expenditures of Federal Awards
For the year ended December 31, 2010

<u>Federal Grantor/Pass-Through Grantor</u>	<u>Program Name</u>	<u>CFDA#</u>	<u>Expenditures</u>
U.S. Department of Housing and Urban Development Pass-Through State of Louisiana Louisiana Department of Social Services	Homeless Prevention and Rapid Re-Housing	14.262	\$ 578,305
U.S. Department of Housing and Urban Development	Homeless Management Information Systems	14.261	3,987
U.S. Department of Housing and Urban Development	Supportive Housing Program	14.235	<u>348,798</u>
Total Federal Expenditures			\$ <u><u>931,090</u></u>

William E. DeLoach
Certified Public Accountant

5516 Superior Drive Suite B
Baton Rouge, Louisiana 70816-8022

Office 225-293-0372
Fax 225-293-0473
bill@deloachcpa.com

REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Capital Area Alliance for the Homeless, Inc.
Baton Rouge, Louisiana

I have audited the financial statements of Capital Area Alliance for the Homeless, Inc. (a nonprofit organization) as of and for the year ended December 31, 2010, and have issued my report thereon dated September 28, 2011. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Capital Area Alliance for the Homeless, Inc.'s internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Capital Area Alliance for the Homeless, Inc.'s internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

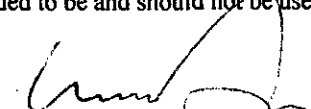
A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Capital Area Alliance for the Homeless, Inc.'s financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountant

September 28, 2011

William E. DeLoach
Certified Public Accountant

5516 Superior Drive Suite B
Baton Rouge, Louisiana 70816-8022

Office 225-293-0372
Fax 225-293-0473
bill@deloachcpa.com

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
Capital Area Alliance for the Homeless, Inc.
Baton Rouge, Louisiana

Compliance

I have audited the compliance of Capital Area Alliance for the Homeless, Inc. (a nonprofit organization) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2010. Capital Area Alliance for the Homeless, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Capital Area Alliance for the Homeless, Inc.'s management. My responsibility is to express an opinion on Capital Area Alliance for the Homeless, Inc.'s compliance based on my audit.

I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Capital Area Alliance for the Homeless, Inc.'s compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination of Capital Area Alliance for the Homeless, Inc.'s compliance with those requirements.

In my opinion, Capital Area Alliance for the Homeless, Inc. complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010. However, the results of my auditing procedures disclosed an instance of noncompliance which is described in the accompanying schedule of findings and questioned costs as item 2010-01.


Internal Control Over Compliance

Management of Capital Area Alliance for the Homeless, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing my audit, I considered Capital Area Alliance for the Homeless, Inc.'s internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of Capital Area Alliance for the Homeless, Inc.'s internal control over compliance. A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable

possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

My consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, others within the entity, the Board of Directors, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Certified Public Accountant

September 28, 2011

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Schedule of Findings and Questioned Costs
For the year ended December 31, 2010

Section I. Summary of Auditor's Results

Financial Statements

Type of auditor's report: Unqualified

Internal Control Over Financial Reporting:

Material weakness(es) identified? _____

Yes X No

Significant deficiency(ies) identified? _____

Yes X None Reported

Noncompliance material to financial
statements noted? _____

Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? _____

Yes X No

Significant deficiency(ies) identified? _____

Yes X None Reported

Type of auditor's report issued on compliance
for major programs: Unqualified

Any audit findings disclosed that are required
to be reported in accordance with Section
510(a) of OMB Circular A-133? _____

Yes X No

Identification of major programs:

CFDA#

U.S. Department of Housing and Urban Development
Community Development Block Grant/Homeless
Prevention and Rapid Re-Housing

14.262

U.S. Department of Housing and Urban Development
Supportive Housing Program

14.235

U.S. Department of Housing and Urban Development
Homeless Management Information Systems

14.261

Dollar threshold to distinguish between type A
and type B programs: _____

\$ 300,000

Auditee qualified as low-risk auditee? _____

Yes X No

Capital Area Alliance for the Homeless, Inc.
(A Nonprofit Organization)

Schedule of Findings and Questioned Costs
For the year ended December 31, 2010

Section II. Schedule of Findings

2010-01 Engagement Completion

Instance of non-compliance: Capital Area Alliance for the Homeless failed to comply with state law (LA R.S. 24:51) since the annual report for the year ended December 31, 2010 was not submitted to the Louisiana Legislative Auditor's Office until after the June 30, 2011 statutory due date.

Reason for non-compliance: Delay was due to accounting staffing issue.

Management's plan for corrective action: Staffing issue has been resolved and does not anticipate any future delays.